

Project Contact and Coordination Information

a. Identify the project leader(s) and respective business affiliations.

Todd Sorensen, President, Rural Nebraska Healthcare Network
CEO, Regional West Medical Center

b. Provide a complete address for postal delivery and the telephone, fax, and e-mail address for the responsible administrative official.

Boni Carrell
Executive Director
Rural Nebraska Healthcare Network
4021 Avenue B
Scottsbluff, NE 69361
(308) 630-1703
carrellb@rwmc.net

c. Identify the organization that is legally and financially responsible for the conduct of activities supported by the award.

Rural Nebraska Healthcare Network (RNHN)
4021 Avenue B
Scottsbluff, NE 69361

d. Explain how project is being coordinated throughout the state or region.

The RNHN is a non-profit membership organization of nine non-profit hospitals in the Panhandle of Nebraska. A board of Directors of the Chief Executive Officer for each member hospital governs the RNHN. The RNHN is coordinated by an Executive Director with the President of the RNHN presiding at all meetings and supervising the affairs of the RNHN with the support of a Vice President and Secretary/Treasurer. The RHCPP is a standing agenda item at the monthly RNHN Board meeting. The Project Coordinator (RNHN President) and Associate Project Coordinator (RNHN Executive Director) provide updates and discuss the progress of the project with the Board.

The project is being coordinated through the office of Boni Carrell, Executive Director of the RNHN. Beginning in early December 2007, and with the assistance of Fiberutilities Group, the office has fielded multiple contacts from telecom providers and consultants regarding the project. RNHN has also visited with a number of third parties who may be interested in funding the network. Moreover, in March 2008, Todd Sorensen, President of the RNHN, advised the Nebraska Public Service

Commission of the project. In December of 2008, the RNHN met with Nebraska Lt. Governor Rick Sheehy, Chair of the Nebraska Information Technology Commission (NITC) to discuss the project.

Representatives of the Rural Nebraska Healthcare Network have met with representatives of the Nebraska Statewide Telehealth Network and Network Nebraska to discuss the RHCPP project.

On November 3, 2009, Todd Sorensen and Fiberutilities Group representatives met with Nebraska Lt. Governor Rick Sheehy, Chair of the Nebraska Information Technology Commission, and Brenda Decker, Nebraska Chief Information Officer, to update them on the RNHN project. In addition, Randy Lowe, counsel to RNHN, and Todd Sorensen spoke with the Nebraska Public Service Commission staff and Commissioners Boyle and Vapp about the RNHN project.

On April 20, 2010 Harold Krueger, RNHN Vice President met with Nebraska Governor Dave Heineman to update him on the progress of our project.

In January 2012, RNHN met with representatives of Alegent Health Systems and the Nebraska State Tele-Health Network (NSTN) to discuss the expansion of the RNHN network to approximately 40 additional facilities in the eastern part of the State utilizing remaining funds from the RNHN RHCPP program. Subsequently, a new RNHN RFP was issued (RFP #05: Eastern Expansion) for long term pre-paid circuits to connect these facilities.

RFP #05 was awarded to three traditional telecommunications providers (Pinpoint, Windstream and Great Plains) for 100Mbs circuits serving 12 eastern Nebraska Hospitals with a 1 gig circuit bridge connecting to the main RNHN fiber network. Turn up of these circuits is anticipated for January 2013.

RNHN has submitted a new 466-A package for 12 additional facilities in Eastern Nebraska; this is currently pending USAC review and approval.

RNHN has submitted a new 466-A package for public internet service; this service has been approved by USAC and an award issued to the vendor (Allo Communications) for service delivery in October 2012. This project was installed, tested and turned up in this reporting period.

RNHN has submitted a new 466-A package for SNMP card & installation; this equipment has been approved by USAC and an award issued to the vendor (Allo Communications) and is scheduled for completion in October 2012. This project was installed, tested and turned up in this reporting period.

2. Identify all health care facilities included in the network.

- a. **Provide address (including county), zip code, Rural Urban Commuting Area (RUCA) code (including primary and secondary), six-digit census tract, and phone number for each health care facility participating in the network.**
- b. **For each participating institution, indicate whether it is:**
 - i. **Public or non-public;**
 - ii. **Not-for-profit or for-profit;**
 - iii. **An eligible health care provider or ineligible health care provider with an explanation of why the health care facility is eligible under section 254 of the 1996 Act and the Commission's rules or a description of the type of ineligible health care provider entity.**

In the following table we have indicated, by strikethrough, the removal of Ash Hollow Rural Health Clinic and the RWMC Physicians Clinic (Mitchell) from the project due to closure because of lack of health care professionals. This is an indication of the tenuousness of rural healthcare and further supports the need for broadband fiber infrastructure to support telemedicine, telehealth, and health information exchange.

Three additional sites are identified within the campus of Regional West Medical Center. Regional West Medical Center, 3700 Ave D, Scottsbluff, NE 69361 was added because Regional West recently moved its data center to this building on the hospital campus which also houses the Regional West Medical Center School of Radiologic Technology and the Community Health Department that provides direct services to clients. Regional West Physicians Clinic, 3911 Ave B, Scottsbluff, NE 69361 and Regional West Physicians Clinic, 3011 Ave B, Scottsbluff, NE 69361 were added because they were acquired as a result of physician integration at Regional West Health Services for the purpose of facilitating the ability of physicians and the hospital working together for the benefit of the patients in the region.

The Dorwart Cancer Care Center in Sidney Nebraska has been added to the project. Dorwart is a department of Regional West Medical Center and was inadvertently excluded from the original FCC Form 465 submission of RNHN.

There is an additional location for Chadron Community Hospital. A new hospital building is being constructed at 825 Centennial Drive, Chadron, NE 69337. The current hospital location at 821 Morehead Street, Chadron, NE 69337 has become Western Community Health Resources (WCHR) offices and client clinics. Transition of the existing WCHR Chadron locations into the existing building is complete. The free medical clinic for Chadron State College students moved to the new Chadron Community Hospital Location when construction was complete. The hospital provides these services through a contract with Chadron State College.

The Box Butte Hospital System has approved a name change to their respective facilities as follows:

- 04 - ~~Sandhills Family Center~~ – Greater Nebraska Medical & Surgical Services (GNMSS)
- 02 - ~~Hemingford Clinic~~ – GNMSS Hemingford Clinic
- 03 - ~~Cow Country Clinic~~ – GNMSS Hyannis Clinic

These are naming changes only, and included in this update merely for reference purposes. Facility ownership, eligibility, status and participation have not changed. Memorial Health Center has approved a name change to their respective facilities as follows:

- ~~Memorial Health Center~~ – Sidney Regional Medical Center (SRMC)
- ~~Memorial Health Center/ Sidney Medical Associates~~ – Sidney Regional Medical Center Physicians Clinic
- ~~Memorial Health Center Chappell Medical Clinic~~ – Sidney Regional Medical Center Chappell Medical Clinic

These are naming changes only, and included in this update merely for reference purposes. Facility ownership, eligibility, status and participation have not changed

We have updated the table in this quarterly filing to reflect the final USAC approved facility information, naming convention and associated required data.

There are no changes made to participating anchor institutions for the October – December 2012 reporting period. RNHN has completed the site substitution process for Western Community Health Resources Native American Center which has been replaced with the Scottsbluff Surgical Center.

RNHN Member Hospitals and affiliated Clinics, FOC RHCPP Program	Address	City	County	State	Zip	Census Tract	Primary RUCA	2nd RUCA	Phone	private, county, city
Box Butte General Hospital	2101 Box Butte Ave	Alliance	Box Butte	NE	69301	9512	7	7	308-762-6660	County
Greater Nebraska Medical & Surgical Services/Hemmingford Clinic	812 Laramie Ave.	Hemingford	Box Butte	NE	69348	9511	10	10.3	308-762-6660	Provider based RHC
GNMSS/Hyannis Clinic	1111 South Main St	Hyannis	Grant	NE	69350	9563	10	10	308-762-6660	Provider based RHC
GNMSS/Alliance Clinic	2031 Box Butte Ave.	Alliance	Box Butte	NE	69301	9512	7	7	308-762-6660	Provider based RHC
Chadron Community Hospital & Physician's Clinic	825 Centennial Drive	Chadron	Dawes	NE	69337	9507	7	7	308-432-5586	Private
Western Community Health Resources Clinic & Family Planning	821 Morehead Street	Chadron	Dawes	NE	69337	9507	7	7	308-432-5586	Provider based RHC
Legend Buttes Health Services	11 Paddock Street	Crawford	Dawes	NE	69339	9506	10	10	308-432-5586	Provider based RHC
Hay Springs Medical Clinic	232 North Main St.	Hay Springs	Sheridan	NE	69347	9517	10	7	308-432-5586	Provider based RHC
Western Community Health Resources--Alliance	619 Box Butte Ave.	Alliance	Box Butte	NE	69301	9513	7	10.6	308-432-5586	Provider based RHC
Western Community Health Resources--Crawford	11 Paddock Street	Crawford	Dawes	NE	69339	9506	10	10	308-432-5586	Provider based RHC
Western Community Health Resources--Rushville	207 Main Street	Rushville	Sheridan	NE	69360	9517	10	7	308-432-5586	Provider based RHC
Western Community Health Resources--Gordon	106 North Main	Gordon	Sheridan	NE	69343	9516	10	7	308-432-5586	Provider based RHC
Garden County Hospital & Rural Health Clinic	1100 West 2nd	Ogishosh	Garden	NE	69154	9512	10	7	308-772-3283	County
Gordon Memorial Hospital	300 E 8th Street	Gordon	Sheridan	NE	69343	9516	10	10	308-282-0401	District
Gordon Clinic	807 North Ash St.	Gordon	Sheridan	NE	69343	9516	10	10	308-282-0401	RHC
Rushville Clinic	308 West 3rd St.	Rushville	Sheridan	NE	69360	9517	10	10	308-282-0401	RHC
Kimball Health Services Hospital & Medical Clinic	505 S. Burg St.	Kimball	Kimball	NE	69154	9545	7	7	308-235-1952	County & RHC
Sidney Regional Medical Center	645 Osage St.	Sidney	Cheyenne	NE	69162	9550	7	7	308-254-5625	Private
Sidney Regional Medical Center/Sidney Physician's Clinic	1625 Dorwart Dr.	Sidney	Cheyenne	NE	69162	9550	7	7	308-254-5644	RHC
Sidney Regional Medical Center /Chappell Medical Clinic	562 Vincent	Chappell	Cheyenne	NE	69129	9550	7	7.5	308-254-5625	Private
Morrill County Community Hospital	1313 S Street	Bridgeport	Morrill	NE	69336	9525	10	10.5	308-262-1616	County
Morrill County Hospital Clinic	1320 S St.	Bridgeport	Morrill	NE	69336	9525	10	10	308-262-1616	Provider based RHC
Chimney Rock Medical Center	320 Main St.	Bayard	Morrill	NE	69334	9525	10	10	308-262-1616	Provider based RHC
Morrill County Family Resource Center	1309 R Street	Bridgeport	Morrill	NE	69336	9525	10	10	308-262-1616	Migrant Health
Perkins County Health Services	900 Lincoln Ave.	Grant	Perkins	NE	69140	9593	10	10	308-352-7200	District
Grant Medical Clinic	912 Central Avenue	Grant	Perkins	NE	69140	9593	10	10	308-352-7200	RHC
Regional West Medical Center	4021 Ave B	Scottsbluff	Scotts Bluff	NE	69361	9534	4	4	308-630-1467	Private
Regional West Physicians Clinic (North Plaza)	2 West 42nd Street	Scottsbluff	Scotts Bluff	NE	69361	9534	4	4	308-630-1467	Private
Regional West Physicians Clinic (Mitchell) DECOMMISSIONED	1456 Center Ave	Mitchell	Scotts Bluff	NE	69357	9530	5	5	308-630-1467	RHC
Regional West Physicians Clinic (Morrill)	302 Center Ave	Morrill	Scotts Bluff	NE	69358	9531	10	10.2	308-630-1467	RHC
Regional West Physicians Clinic (Gering)	1275 Sage Street	Gering	Scotts Bluff	NE	69341	9538	4	4	308-630-1467	Private
Regional West Physicians Clinic (South Plaza)	3911 Ave B	Scottsbluff	Scotts Bluff	NE	69361	9534	4	4	308-630-1467	Private
Regional West Physicians Clinic (Urgent Care)	3011 Avenue B	Scottsbluff	Scotts Bluff	NE	69361	9534	4	4	308-630-1467	Private
Regional West Medical Center (South Unit)	3700 Avenue D	Scottsbluff	Scotts Bluff	NE	69361	9534	4	4	308-630-1467	Private
RMMC/Dorwart Cancer Care Center	830 Pine Street	Sidney	Cheyenne	NE	69162	9550	7	7	308-630-1467	Private
Scottsbluff Surgical Center	4022 Avenue B	Scottsbluff	Scotts Bluff	NE	69361	9534	4	4	308-630-1467	Private

3. **Network Narrative:** In the first quarterly report following the completion of the competitive bidding process and the selection of vendors, the selected participant must submit an updated technical description of the communications network that it intends to implement, which takes into account the results of its network design studies and negotiations with its vendors. This technical description should provide, where applicable:

- Brief description of the backbone network of the dedicated health care network, e.g., MPLS network, carrier-provided VPN, a SONET ring;**

The backbone network is a 36-count fiber optic cable that connects all participating facilities utilizing 2 Gigabit optical gear in a multi-ring configuration (for most locations) and a hub-and-spoke configuration for select locations.

- Explanation of how health care provider sites will connect to (or access) the network, including the access technologies/services and transmission speeds;**

Each health care provider has a direct fiber connection to the backbone, with primary care hospitals capable of connecting at 2 Gigabits, and clinic locations connecting at 1 Gigabit.

- Explanation of how and where the network will connect to a national backbone such as NLR or Internet 2;**

The network is connected to the Front Range Gigapop facility in Denver, Colorado via redundant circuits in order to access I2. The primary circuit is a 1000 Megabit circuit, and the secondary circuit is 100 Megabits

- d. Number of miles of fiber construction, and whether the fiber is buried or aerial; Special systems or services for network management or maintenance (if applicable) and where such systems reside or are based.**

The estimate for new fiber construction miles is approximately 700 miles of underground cable. Network management is provided via two redundant, virtual Network Operations Centers located in data centers in Iowa. Outside plant maintenance has been contracted with a local carrier, Zayo Group.

- 4. List of Connected Health Care Providers: Provide information below for all eligible and non-eligible health care provider sites that, as of the close of the most recent reporting period, are connected to the network and operational. See Chart Below.**
- a. Health care provider site;**
 - b. Eligible provider (Yes/No);**
 - c. Type of network connection (e.g., fiber, copper, wireless);**
 - d. How connection is provided (e.g., carrier-provided service; self-constructed; leased facility);**
 - e. Service and/or speed of connection (e.g., DS1, DS3, DSL, OC3, Metro Ethernet (10 Mbps);**
 - f. Gateway to NLR, Internet2, or the Public Internet (Yes/No);**
 - g. Site Equipment (e.g., router, switch, SONET ADM, WDM) including manufacturer name and model number.**
 - h. Provide a logical diagram or map of the network. See Network Diagram**

RNHN Member Hospitals and affiliated Clinics, FCC RHQPP Program	Address	City	County	State	Zip	Connection Type	Connection Provisioned	Service Speed	NLR/ IS Public Internet
Box Butte General Hospital	2101 Box Butte Ave	Alliance	Box Butte	NE	69301	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Greater Nebraska Medical & Surgical Services Hemmingford Clinic	812 Laramie Ave.	Hemingford	Box Butte	NE	69348	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
GNMSSHyanis Clinic	111 South Main St	Hyanis	Grant	NE	69350	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
GNMSSAlliance Clinic	2091 Box Butte Ave.	Alliance	Box Butte	NE	69301	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Chadron Community Hospital & Physician's Clinic	825 Centennial Drive	Chadron	Dawes	NE	69337	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Western Community Health Resources Clinic & Family Planning	821 Morehead Street	Chadron	Dawes	NE	69337	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Legend Buttes Health Services	11 Paddock Street	Crawford	Dawes	NE	69339	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Hay Springs Medical Clinic	232 North Main St.	Hay Springs	Sheridan	NE	69347	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Western Community Health Resources--Alliance	619 Box Butte Ave.	Alliance	Box Butte	NE	69301	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Western Community Health Resources--Crawford	11 Paddock Street	Crawford	Dawes	NE	69339	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Western Community Health Resources--Rushville	207 Main Street	Rushville	Sheridan	NE	69360	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Western Community Health Resources--Gordon	106 North Main	Gordon	Sheridan	NE	60343	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Garden County Hospital & Rural Health Clinic	1100 West 2nd	Oshkosh	Garden	NE	69154	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Gordon Memorial Hospital	300 E 8th Street	Gordon	Sheridan	NE	69343	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Gordon Clinic	807 North Ash St.	Gordon	Sheridan	NE	69343	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Rushville Clinic	308 West 3rd St.	Rushville	Sheridan	NE	69360	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Kimball Health Services Hospital & Medical Clinic	505 S. Burg St.	Kimball	Kimball	NE	69154	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Sidney Regional Medical Center	645 Osage St.	Sidney	Cheyenne	NE	69162	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Sidney Regional Medical Center/ Sidney Physicians Clinic	1625 Dorwart Dr.	Sidney	Cheyenne	NE	69162	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Sidney Regional Medical Center Chappell Medical Clinic	562 Vincent	Chappell	Cheyenne	NE	69162	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Morrill County Community Hospital	1313 S Street	Bridgeport	Morrill	NE	69336	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Morrill County Hospital Clinic	1320 S St.	Bridgeport	Morrill	NE	69336	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Chimney Rock Medical Center	320 Main St.	Bayard	Morrill	NE	69334	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Morrill County Family Resource Center	1309 R Street	Bridgeport	Morrill	NE	69336	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Perkins County Health Services	900 Lincoln Ave	Grant	Perkins	NE	69140	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Grant Medical Clinic	912 Central Avenue	Grant	Perkins	NE	69140	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Regional West Medical Center	4021 Ave B	Scottsbluff	Scotts Bluff	NE	69361	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Regional West Physicians Clinic (North Plaza)	2 West 42nd Street	Scottsbluff	Scotts Bluff	NE	69361	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Regional West Physicians Clinic (Mitchell) DECOMMISSIONED	1456 Center Ave	Mitchell	Scotts Bluff	NE	69357	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only
Regional West Physicians Clinic (Morrill)	302 Center Ave	Morrill	Scotts Bluff	NE	69358	Fiber	Self- Constructed	1-2 Gigabits	Public Internet Only

5. Identify the following non-recurring and recurring costs, where applicable shown both as budgeted and actually incurred for the applicable quarter and funding year-to-date.

- a. **Network Design** see below
- b. **Network Equipment, including engineering and installation** see below
- c. **Infrastructure Deployment/Outside Plant** see below
- d. **Engineering** see below
- e. **Construction** see below

- f. Internet2, NLR, or Public Internet Connection** n/a
- g. Leased Facilities or Tariffed Services** see below
- h. Network Management, Maintenance, and Operation Costs (not captured elsewhere)** see below
- i. Other Non-Recurring and Recurring Costs** see below

The network construction broke ground in November 2010. The construction vendor (Adesta Group LLC) has submitted an invoice for mobilization services rendered in December of 2010, but the invoice was not approved or paid by USAC until January 2011. For project accounting purposes, we will document expenses (actual v. budget) upon final payments by both RNHN and USAC.

Project billings through the period ending 3/31/11 total \$2,658,070.30. Three invoices have been processed in this period:

- #1--\$648,187.08 in non-recurring Mobilization costs.
- #2--\$848,785.08 in non-recurring Network Design costs
- #3--\$1,161,098.28 in non-recurring Construction & Design costs as follows:
 - \$1,060,509.80 in Cable / Fiber costs (Infrastructure Deployment)
 - \$ 100,588.48 in Network Design

Project Billings for the period ending 6/30/11 total \$1,806,839.30. Three invoices were processed in this period.

- #1--\$563,938.18
 - \$113,189.46 in non-recurring Network Design
 - \$450,748.72 in non-recurring Network Equipment
- #2--\$566,177.51
 - \$17,935.15 in non-recurring Network Design
 - \$548,242.36 in non-recurring Network Equipment
- #3--\$676,723.77
 - \$11,321.92 in non-recurring Construction Make Ready
 - \$665,401.85 in non-recurring Construction

Project Billings for the period ending 9/30/11 total \$.5,238.879.50. Three invoices were processed in this period.

- #1 -- \$936,009.63
 - \$867,053.29 in non-recurring Network Construction
 - \$68,956.34 in non-recurring Network Equipment
- #2--\$3,598,927.05
 - \$3,575,575.80 in non-recurring Network Construction
 - \$23,351.20 in non-recurring Network Equipment
- #3—703,942.98
 - \$39,160.80 in non-recurring Network Design
 - \$540,125.10 in non-recurring Network Construction
 - \$77,519.09 in non-recurring Cable & Fiber Costs
 - \$50,438.77 in nonrecurring Network Equipment

Project Billings for the period ending 12/31/11 total \$4,708,713.40. Three invoices were processed this period.

- #1-- \$3,115,264.45 in Pre-Paid leases.
- #2-- \$1,320,629.76
 - \$18,593.57 in non-recurring Cable/fiber (network deployment)
 - \$ 6,512.42 in non-recurring Network Design
 - \$1,251,339.90 in non-recurring Construction
 - \$ 44,183.0 in non-recurring Equipment Installation
- #3--\$272,819.30
 - \$ 387.32 in non-recurring Construction Make ready
 - \$151,448.32 in non-recurring Construction
 - \$ 23,403.47 in non-recurring Cable / Fiber (Network Deployment)
 - \$6,429.83 in non-recurring Network Design
 - \$26,343.75 in non-recurring Network Switches
 - \$64,806.61 in non-recurring Equipment Installation

Project Billings for the period ending 3/31/12 total \$161,712.39. One invoice was processed in the amount of \$161,712.39 for Network Management gear.

Project Billings for the period ending 6/30/12 total \$766,651.32. Two invoices were processed for this period:

- #1-- \$765,116.89
 - \$888,506.00 in non-recurring pre-paid leases
 - \$ 60.48 in non-recurring construction
 - \$123,449.58 in non-recurring Network Equipment.
- #2 -- \$1,805.21
 - \$ 1,805.21 in non-recurring construction

Project Billings for the period ending 12/31/12 total \$546,100. Two invoices were processed for this period:

- #1--\$529,750 in non-recurring charges for commercial internet service
- #2--\$16,350 in nonrecurring charges for Network Equipment

All invoices to date match the NCW and match the project budget. The invoices and payments in period ending 6/30/2012 represent the **final billings** associated with RFP #01, 02, 03 & 04 of RNHN's RHCPP program and are accurate, on-budget and consistent with the NCW 's associated with these projects.

| RNHN has one remaining, open RFP project within the RHCPP program:

- #5 Eastern Expansion (12 new facilities added to the network)

Deleted: s

RNHN will account for the budgets and actual on each as they are processed, installed and completed.

6. Describe how costs have been apportioned and the sources of the funds to pay them:

- a. Explain how costs are identified, allocated among, and apportioned to both eligible and ineligible network participants.**

All current participants are eligible users, and pay operating costs according to a fee schedule weighted by current maximum bandwidth and based on the number of sites connected to the fiber network per hospital facility.

- b. Describe the source of funds from:**
 - i. Eligible Pilot Program network participants**
Eligible program participants are covering 100% of the costs.
 - ii. Ineligible Pilot Program network participants**
Not applicable; all current participants are eligible
- c. Show contributions for all other sources (e.g., local, state, and federal sources, and other grants).**
 - i. Identify source of financial support and anticipated revenues that is paying for costs not covered by the fund and by Pilot Program participants.**
A 25 year IRU sold to Zayo Group LLC for dark fiber along the network route will cover all eligible user's required 15% match, plus on-going network costs as identified in the Sustainability Plan. See attachment A
 - ii. Identify the respective amounts and remaining time for such assistance.**
See Attachment A
- d. Explain how the selected participant's minimum 15 percent contribution is helping to achieve both the selected participant's identified goals and objectives and the overarching goals of the Pilot Program.**

See Attachment A to this Quarterly Report.

- 7. Identify any technical or non-technical requirements or procedures necessary for ineligible entities to connect to the participant's network.**

RNHN has assumed there will not be any ineligible users using any portion of the RNHN network at the time of network completion. See Attachment A. If any ineligible users are allowed access to the RNHN network, technical or non-technical requirements or procedures have not yet been developed except that they will be required to pay the full cost of connecting to the network and installing, operating and upgrading their electronics. They will also be required to pay their fair share of network costs attributable to the portion of network capacity used per RHCPP guidelines. RNHN has submitted a fair-share methodology formula which has been approved by USAC for an Ineligibles program, but has not yet developed a comprehensive business model or the procedures required to facilitate participation by ineligible users at this time.

- 8. Provide an update on the project management plan, detailing:**

a. The project's current leadership and management structure and any changes to the management structure since the last data report; and

The following are the project's current leadership and management structure:

Project leader	Todd Sorensen, President, Rural Nebraska Healthcare Network
Assistant project leader	Boni Carrell, Executive Director, Rural Nebraska Healthcare Network
Counsel	Randy Lowe, Davis Wright Tremaine LLP
Consultants	Fiberutilities Group, LLC.

b. In the first quarterly report, the selected applicant should provide a detailed project plan and schedule. The schedule must provide a list of key project deliverables or tasks, and their anticipated completion dates. Among the deliverables, participants must indicate the dates when each health care provider site is expected to be connected to the network *and operational*. Subsequent quarterly reports should identify which project deliverables, scheduled for the previous quarter, were met, and which were not met. In the event a project deliverable is not achieved, or the work and deliverables deviate from the work plan, the selected participant must provide an explanation.

The project plan will be determined in partnership with the contracted vendor.*

Activity	Based on RFP posting date	Actual or Anticipated Dates
RFP posted	Day 1	August 28, 2009
RFP question answer session 1	2nd Friday after posting	September 11, 2009
RFP question answer session 2	3 rd Friday after posting	September 18, 2009
Bid response deadline	Posting date + 52 days	October 19, 2009
Award Announcement*	Posting date + 90 days	November 30, 2009
Complete USAC 466 process*	Award date + 14 days	
Contract awarded	Award date + 60 days	10/15/10
Construction start		11/1/10
Testing and acceptance		Summer/Fall 2011
Healthcare Network 100% operational		April 2012

* RNHN has completed the competitive bidding process and selected a vendor, and has received an FCL for the project from USAC (10/15/2010) and subsequently awarded the contract to Adesta Group LLC..

The network was issued a RTS date (“Ready To Serve”) of February 24th, 2012. RTS means the network is ready to accept local traffic from hospitals and clinics. March facilitated the traffic insertion and migration planning and actual hospital and clinic traffic will be moved to the fiber network beginning in April 2012.

9. Provide detail on whether network is or will become self sustaining. Selected participants should provide an explanation of how network is self sustaining.

See Attachment A to this Quarterly Report.

10. Provide detail on how the supported network has advanced telemedicine benefits:
a. Explain how the supported network has achieved the goals and objectives outlined in selected participant’s Pilot Program application;

RNHN has completed the initial network connectivity connecting 9 primary care hospitals and 31 associated clinics in the panhandle of Nebraska. While only being operational for 60 days, these facilities are capable of transmitting medical records, data, patient files, radiology, billing and other important patient and business related information at speeds up to 2 Gigabits.

b. Explain how the supported network has brought the benefits of innovative telehealth and, in particular, telemedicine services to those areas of the country where the need for those benefits is most acute;

RNHN hospitals have been connected to the Nebraska Statewide Telehealth Network and provided telehealth/telemedicine services for several years. Moving these services from our hub and spoke T1 network to the redundant fiber ring has increased our capacity and the reliability of these services. We have noted that our audio and video reception is real time now where as before there was a noticeable delay.

c. Explain how the supported network has allowed patients access to critically needed medical specialists in a variety of practices without leaving their homes or communities;

All of the RNHN hospitals are members of Nebraska Trauma Region 4 and we have implemented a teletrauma system to provide immediate physician consultation to the physicians and physician extenders. Emergency physicians at Regional West Medical Center are in-house 24-hours a day and a broad range of specialists are available for consultation. Unlike telephone, the tele-video equipment provides the opportunity for the consulting physician to visually assess the injured patient allowing a more thorough and informed consultation. The Objectives for the system are:

- Increase the timeliness of consultation.
- Decrease the delays in assessment, diagnosis, treatment, and transfer.
- Decrease the number of inappropriate transfers.
- Decrease the number of errors in treatment.
- Decrease duplication of diagnostic tests and x-rays.

- Increase the comfort and confidence level of emergency providers in rural facilities.
- Facilitate the use of regional trauma guidelines and protocols.

Regional West Medical Center is participating in a pilot project with the Nebraska Statewide Telehealth Network through the University of Nebraska Medical Center to implement mobile telemedicine capability using Vidyo software on desk tops and iPads. Once the pilot has proven successful the technology can be implemented in the eight Critical Access Hospitals in the RNHN.

d. Explain how the supported network has allowed health care providers access to government research institutions, and/or academic, public, and private healthcare institutions that are repositories of medical expertise and information;

The RNHN fiber network includes lit circuits to Denver Colorado. One of the intended uses of this connection is for NLR/Internet 2.

e. Explain how the supported network has allowed health care professional to monitor critically ill patients at multiple locations around the clock, provide access to advanced application in continuing education and research, and/or enhanced the health care community's ability to provide a rapid and coordinated response in the event of a national crisis.

RNHN hospitals are connected through an emergency communication system that has been in existence for 16 years. This system is being upgraded to meet the new FCC narrow bandwidth mandate. The upgraded system resides on the RNHN broadband fiber network. Using the fiber network eliminates the recurring costs to maintain leased phone lines saving \$ 20,000 per year in operating costs.

11. Provide detail on how the supported network has complied with HHS health IT initiatives:

The following responses are examples, not an inclusive report, from RNHN member hospitals.

a. Explain how the supported network has used health IT systems and products that meet interoperability standards recognized by the HHS Secretary;

b. Explain how the supported network has used health IT products certified by the Certification Commission for Healthcare Information Technology.

All of the RNHN hospitals and Clinics have or are in the process of implementing Electronic Health Records systems that are CCHIT certified to meet Meaningful Use requirements.

c. Explain how the supported network has supported the Nationwide Health Information Network (NHIN) architecture by coordinating activities with organizations performing NHIN trial implementations;

Regional West Health Services recently joined hospitals and healthcare providers throughout the state as a member of the new statewide health information exchange known as Nebraska Health Information Initiative, or "NeHII" (pronounced knee-high). It provides a system to electronically display personal health and medical information securely between doctors, hospitals, and other health care providers when it is needed for

patient care. Regional West Physicians Clinic's independent laboratory took the first step in implementing the electronic health information exchange. Through NeHII, physicians working with the Regional West Physicians Clinic have secure access to share and exchange clinical patient information and medication history electronically, if necessary, with other hospitals and healthcare providers.

d. Explain how the supported network has used resources available at HHS's Agency for Information Technology;

The RNHN uses many resources provided through the Office of the Coordinator for Health Information Technology such as information provided on Meaningful Use and the Certified Health IT Product List. Wide River Technology the Regional Extension Center in Nebraska has provided assistance to many of our providers and at least one of our Critical Access hospitals with selection of their Electronic Medical Record.

e. Explain how the selected participant has educated themselves concerning the Pandemic and All Hazards Preparedness Act and coordinated with the HHS Assistant Secretary for Public Response as a resource for telehealth inventory and for the implementation of other preparedness and response initiatives; and

All RNHN hospitals participate in the Panhandle Regional Medical Response System (PRMRS) and are connected to western Nebraska's Public Health system through the Statewide Telehealth Network and the Regional Radio Communication Network, both of which now reside on the RNHN fiber network. This group meets quarterly to plan and implement an All Hazards Response for each hospital and the region. Before construction of the fiber network was complete several of the hospitals stood up their Incident Command Systems to address a communication "disaster" when a fiber cut occurred in Kansas that took out almost every means of communication in the Panhandle of Nebraska. This type of "disaster" should be essentially eliminated with the RNHN fiber network.

f. Explain how the supported network has used resources available through HHS's Centers for Disease Control and Prevention (CDC) Public Health Information Network (PHIN) to facilitate interoperability with public health and emergency organizations.

Chadron Community Hospital was the first facility in Nebraska to exchange data with the Nebraska State Immunization Information System (NESIIS) in the production environment in real-time, via Centers for Disease Control and Prevention (CDC) Public Health Information Network (PHIN). The immunization data is provided to the state to improve patient care and safety.

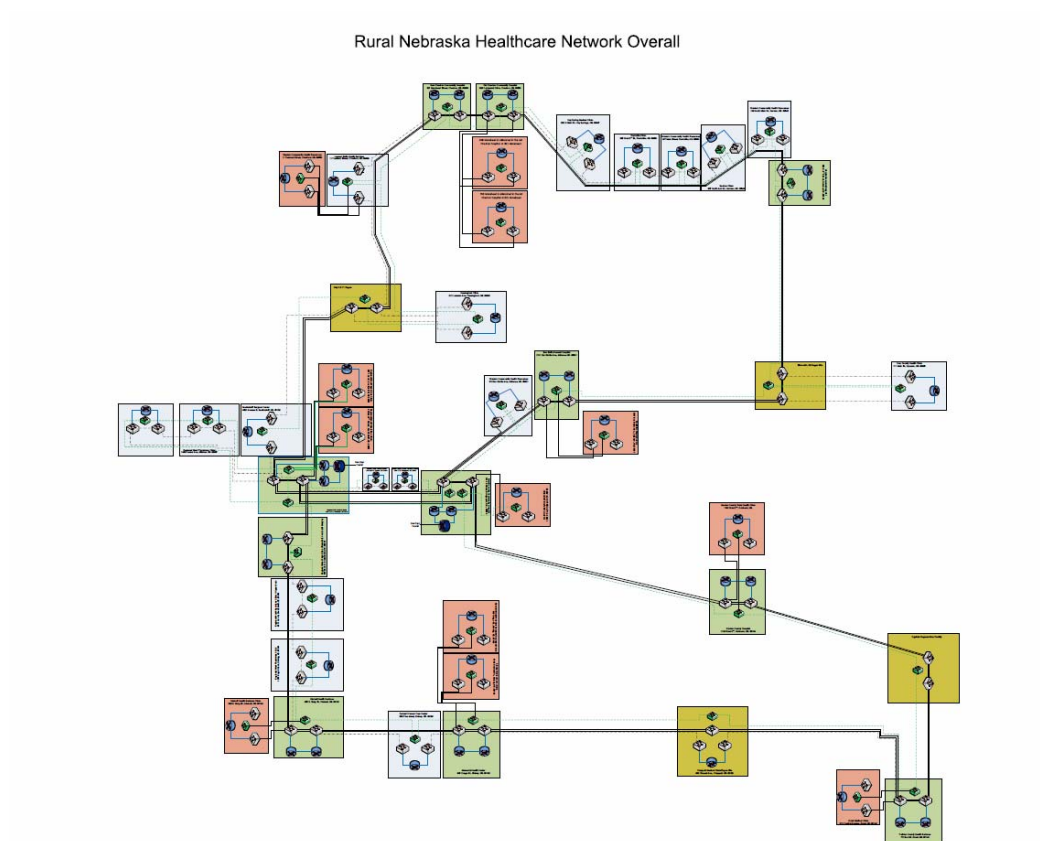
In addition the Nebraska Health Information Initiative (NeHII), Nebraska's statewide Health Information Exchange (HIE) provides physicians participating in the exchange access to electronically share patient immunization information to NESIIS.

12. Explain how the selected participants coordinated in the use of their health care networks with the Department of Health and Human Services (HHS) and, in particular, with its Centers for Disease Control and Prevention (CDC) in instances of national, regional, or local public health emergencies (e.g., pandemics, bioterrorism). In such

instances, where feasible, explain how selected participants provided access to their supported networks to HHS, including CDC, and other public health officials.

RNHN's fiber network became operational in April 2012. Initial efforts have been focused on intra-network / facility connectivity and stability and existing traffic migration. As such, specific HHS /CDC initiatives have not been undertaken to date.

NETWORK DIAGRAM



Rural Nebraska Healthcare Network

FCC - Rural Health Care Pilot Program

Sustainability Plan

Updated 6/29/10

Prepared by:



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Rural Nebraska Healthcare Network Sustainability Plan

Overview

The Rural Nebraska Healthcare Network (RNHN) is a not-for-profit corporation whose members are the nine not-for-profit and public hospitals in the Panhandle of Nebraska.¹ A board of directors, which is comprised of the Chief Executive Officer of each member hospital, governs the RNHN.

Since 1996, RNHN members have uniquely collaborated on projects in order to coordinate a unified healthcare response in the face of the geographic isolation of their patients. Thus, RNHN is an integrated healthcare system that serves nearly all patients in the Nebraska Panhandle.²

The RNHN was awarded support of \$19.2M under the FCC's Rural Health Care Pilot Program (RHCPP) to design, construct, operate, and maintain a fiber optic network connecting each of its member hospitals with each other and with other health care facilities (RHCPP Network). The total cost of the RHCPP Network, however, has decreased slightly from \$22,655,226 projected in RNHN's RHCPP Application to \$19,741,865.

As demonstrated by this Sustainability Plan (Plan), RNHN anticipates that it will be able to meet its 15% contribution under the RHCPP, as well as the ongoing capital and operation expenses of the RHCPP Network which will consist of 36 fibers³ (See Exhibits A and B.). It will do so by selling Indefeasible Rights of Use (IRU) in a privately funded, 48 fiber network owned by RNHN that is located in the same trench used for the RHCPP Network (Second Network).⁴ Moreover, this Plan shows positive cash flow beginning with the first year and remaining positive for the

¹The member hospitals are: Box Butte General Hospital, Alliance; Chadron Community Hospital, Chadron; Garden County Health Services, Oshkosh; Gordon Memorial Health Services, Gordon; Kimball Health Services, Kimball; Memorial Health Center, Sidney; Morrill County Community Hospital, Bridgeport; Perkins County Health Services, Grant; and Regional West Medical Center, Scottsbluff.

²The Panhandle covers 11 counties spread out over 14,000 square miles with a population density of 6.5 people per square mile.

³ The final design by the contractor (Adesta LLC) required that the fiber count be increased from 24 to 36 fibers in portions of the RHCPP Network in order to meet redundancy requirements. As such, portions of the RHCPP Network will be comprised of 24 fibers, while other portions (primarily the backbone) will have 36 fibers.

⁴ IRU's do not convey legal title, only quiet enjoyment to use of fiber for a specific period of time. Consequently, RNHN, or a wholly-owned subsidiary of RNHN, will be the sole owner of, and hold legal title to the Second Network. The Second Network will contain 48 fibers because it will permit increased revenues to meet the needs of the RHCPP Network. Moreover, and unlike the RHCPP Network, it is expected that certain segments of the Second Network will be used more or less than other segments. In order to accommodate such uneven use, it is necessary to construct more fibers than would otherwise be necessary if all segments were used equally. Nevertheless, if the needs of RHCPP Network users increase beyond 36 fibers, it is expected that the additional fiber of the Second Network will be available to meet those needs.

next 20 years, including generating sufficient cash to cover electronics replacement and anticipated network capacity upgrades.⁵

The approach used for this Plan was to determine whether the Second Network will generate sufficient net revenues to cover the 15% contribution and the capital and operating costs of not only the RHCPP Network but also the Second Network. The Plan, therefore, reflects the costs to build, maintain, and operate both the RHCPP and the Second Network and the revenues generated by the Second Network.

Plan Assumptions

1) Second Network

Based on the FCC Order approving the Application, RNHN has revised its original approach to the project as set forth in the Application, and now plans, as noted above, a separately funded second network in the same trench as the RNHN project cable.⁶ The source of the funds for the Second Network will be private, not public. RNHN will place them in an escrow account to assure that sufficient funds will be available to meet the 15% matching requirement when USAC issues the funding commitment letter (FCL) for the RHCPP Network.

RNHN is negotiating a transaction with Zayo Group, a Colorado based telecommunications company, for Zayo to acquire all of the fibers in the Second Network and to provide all outside network maintenance, restoration, repair, relocation and other associated outside plant services for the RHCPP Network for 25 years. This transaction will cover 100% of the incremental cost associated with the Second Network, as well as provide the funding needed for the required RNHN 15% match. Additionally, this revised approach will save approximately \$3M in government funds required to complete the network. RNHN is also negotiating a transaction with Adesta, a Nebraska based company engaged in the design and construction of fiber optic networks, to design and construct the RHCPP Network. The IRU and construction contracts under consideration are arms-length transactions negotiated at fair market value. RNHN estimates that the incremental amount required from private funds to add the Second Network is \$1,428,737 based on the RFP responses.

RNHN estimates that the total (incremental) amount required from private funds to build the Second Network is \$1,430,000. This includes approximately 752 miles of cable with 48 fibers available for IRU's.⁷ The source of funds for future capital requirements is the net income generated from the sale of IRU's and O&M fees received for the Second Network.⁸ For clarity,

⁵RNHN used a 20 year projection because it replicates the life of dark fiber IRUs and is within the range of reasonableness for projecting revenues, expenses, and cash flow.

⁶ The RHCPP Application of RNHN before the FCC showed that the project would be funded by Mobius Communications Company, Inc., a Nebraska provider of telecommunications services. *See In the Matter of Rural Health Care Support Mechanism*, 22 FCC Rcd. 20360 (2007), para. 77, n. 245.

⁷The Second Network will not be installed in 190 miles of the 942 mile RHCPP Network that are designated as laterals to reach various eligible health care providers.

⁸ In this context, "net income" means the funds available to RNHN after all expenses of the Second Network are paid. The private-sourced funds received for the Second Network will be used for the sole purpose of funding the Second Network and the RHCPP Network, including the direct expenses incurred to plan, design, build and operate both the RHCPP Network and the Second Network.

the \$1.4M used to deploy the Second Network *is funded entirely by RNHN without the use of any governmental funds*. This incremental amount is recaptured by RNHN via the sale of IRU's.

The Second Network will be designed and costed as additional fibers placed in the same trench, *i.e.*, the RHCPP Network is a rural build that will be costed as a direct bury with no conduit except where there are road bores. Thus, the \$1,430,000 cost is the cost of adding these incremental fibers. The design, installation, operation and maintenance of the Second Network will not increase the cost of the RHCPP Network.⁹

There is no allocation of costs between the RHCPP Network and the Second Network because there is no shared equipment between them and the Second Network cable is not attached to the RHCPP Network.

2) Eligible Users

The Plan is based on the goal of insuring that eligible users can participate in basic network applications for a nominal fee. This approach for eligible users takes into consideration the very limited financial resources of rural hospitals in the Panhandle.¹⁰ As such, the user fees charged have been developed with the sole purpose of ensuring network sustainability, not necessarily as a profit-generating source. User fees (in conjunction with the IRU fee charged for the Second Network) are projected to generate sufficient cash flow to maintain and operate the RHCPP Network solely as a cost displacement mechanism.

Since these charges are paid by eligible users, the charges paid by ineligible users, if any, will not only cover the full cost of connecting to the network and upgrading their electronics but will, in effect, also include a subsidy of the costs incurred by eligible users.

Costs to eligible users (as well as ineligible users) on the user side of each connection with RNHN will be born by those users; these costs are not part of the costs to be funded by RHCPP funds.

The basic design of the RNHN Network provides a 1 Gb Ethernet connection at the user-designated premise.¹¹ This type of connectivity would, if available, normally cost between \$5,000 and \$10,000 per month if purchased directly from the commercial marketplace. In most cases, such high-speed connections are not currently available at any cost. Instead, eligible users in the Panhandle are generally limited to buying various legacy telecommunications services, such as DSL or T-1's. The typical charge for these connections is very high on a per Mb basis, ranging from \$250 to \$1,500 per month.

⁹RNHN intends to contract with Fiberutilities Group, LLC (FG) for the operation and maintenance of the RHCPP Network and the Second Network at arm's length. The costs of a third party, such as FG, are included in the cost calculations set forth in Exhibit A. No RHCPP funds will be used for FG work performed for RNHN; instead, all of the expenses of operating and maintaining the RHCPP Network are to be covered as consideration for the IRU sale. It will not be necessary, therefore, to bid for these services in accordance with USAC's bidding requirements. Detailed information on FG may be found at www.fiberutilities.com.

¹⁰ RNHN will reconsider this approach in the event of any unforeseen costs.

¹¹Some of the more remote locations may have lower connection speeds (*e.g.*, 100 Mb) based on their locations and the most cost-effective technology available to reach them (wired or wireless, leased or built).

3) Ineligible Users

RNHN has assumed there will not be any ineligible users using any portion of the RHCPP Network.¹²

4) Additional Assumptions

a) General

- A projected start of fall 2011
- Only 6 months of revenue in the first year of operation.
- \$8M (+/-) in IRU revenue (\$5.6M of the IRU is paid in year one) after the following ineligible expenses are paid (rounded):
 - \$1.4M for the incremental cost of deploying the Second Network
 - \$400K non-reimbursable project management and legal costs
 - Leaving \$3.8M (\$3.77M) for payment of 15% Matching requirements, other non-reimbursable expenses and network operations
 - Note: Two additional IRU payments of \$1.2M each in years 6 and 8 cover network operations and equipment upgrades / replacements.
- Upgrade electronics and equipment of \$1,816,368 in 2015, \$2,019,930 in 2020 (includes costs for system electronics refresh plus an anticipated capacity upgrade) and \$1,816,368 in 2025.
 - An annual CPI adjustment of 3%.

b) Capital Costs

- Depreciation rates based on standard GAAP/IRS useful lives with a salvage value set equal to 10% of original cost, e.g., electronics have an assumed five-year useful life, with a \$10,000 per user replacement cost, plus spares, setup, installation, warranty, and contingency amounts.
- The RHCPP and Second Networks will be designed and constructed in a manner that is consistent with industry standards.
- Future capital costs are limited to equipment replacement as the equipment obsolesces.
- A capital expenditure contingency of 7% of the total non-fiber capital expenses.
- The capital refresh cost is set equal to the initial cost for the same asset. The assumption is that the same dollars will buy then-current

¹²If any ineligible users are later allowed access to the RHCPP Network, they will be required to pay the full cost of connecting to the Network and installing, operating and upgrading their electronics. They will also be required to pay their fair share of Network costs attributable to the portion of Network capacity used.

capabilities in the electronics. The basis for this assumption is that the price-performance curve for digital technology has been improving for decades. The approach for this Plan, therefore, assumes that the price in dollars for a particular piece of electronics will be the same in 10 years as it is now, but the capabilities will have improved substantially.

c) Operating Costs

Annual operating costs for the RHCPP Network start (in the first full year of operation) at \$1,472,862 in 2011 rising to \$1,528,441 in year 2029. This includes depreciation and amortization for electronics, outside plant O&M, warranty, licensing, software, network management, pole attachment fees, Network O&M, General and Administrative and an operating contingency.

- Operating contingency set at 10% of total operations costs.

The RHCPP Network will interconnect with the NLR network at the FrontRange GigaPOP in Denver. The Plan includes the costs of extending the RHCPP Network to Denver, but no contracts are yet in place for the actual interconnection with NLR.¹³

- The net income available to support the RHCPP Network is \$3,294,464 in the first year of operation (revenue from the sale of the IRU in the Second Network). Additional payments on that sale occur in 2015 and 2017. These payments, plus fees charged to the eligible healthcare entities using the RHCPP Network, make the RHCPP Network cash flow positive for the 20 year life of the project.

d) General & Administrative

- For the Second Network, the direct general and administrative expense is included in the Operating Costs.
- Selling, General & Administrative expense is estimated to be 15% of revenue.

¹³ RNHN does not anticipate NLR interconnection expenses will exceed \$50,000 per year; sufficient revenues from the Second Network are available under this Plan to cover these anticipated costs.

Summary by Year

This plan tests the financial assumptions for the lighting a network and providing services (internet, capacity, wavelengths, etc.). The model assumes a stand-alone entity owned by RHNH. ONLY ONE IRU SALE, WITH PROCEEDS SPLIT INTO THREE YEARS (RHNH: 30%, CARR: 40%, IRI: 30%).

Capital Expenditures \$ 23,955,794

SUMMARY BY YEAR		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	20 YEAR TOTAL		
Operating Revenues	\$	105,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000
Non Recurring Revenue	\$	4,500	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Net From 2nd Party Ops	\$	3,771,263	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
TOTAL REVENUE	\$	3,880,763	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000
COGS (Inpatient, contract, access)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
GROSS MARGIN	\$	3,880,763	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000	\$	420,000
Netition Operations & Maint	\$	308,000	\$	350,565	\$	311,380	\$	313,221	\$	315,118	\$	324,472	\$	450,381	\$	463,802	\$	477,820	\$	482,154	\$	509,484	\$	522,126
Sales & Marketing	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Customer Service	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
General Administration	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Depreciation and Amortization	\$	279,209	\$	3,113,197	\$	3,113,197	\$	3,113,197	\$	3,113,197	\$	3,267,744	\$	842,154	\$	842,154	\$	842,154	\$	842,154	\$	842,154	\$	842,154
Bad Debts	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
PG MARGIN	\$	3,601,554	\$	6,686,803	\$	10,786,603	\$	10,771,780	\$	10,686,881	\$	10,674,256	\$	9,827,619	\$	9,827,619	\$	9,827,619	\$	9,827,619	\$	9,827,619	\$	9,827,619
TOTAL OP EXPENSES	\$	588,209	\$	1,472,862	\$	1,424,577	\$	1,420,418	\$	1,420,316	\$	1,592,320	\$	1,292,058	\$	1,309,087	\$	1,320,014	\$	1,334,348	\$	1,369,783	\$	1,386,420
Interest Exp (cost of capital)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
TOTAL EXPENSES	\$	588,209	\$	1,472,862	\$	1,424,577	\$	1,420,418	\$	1,420,316	\$	1,592,320	\$	1,292,058	\$	1,309,087	\$	1,320,014	\$	1,334,348	\$	1,369,783	\$	1,386,420
Net Income	\$	3,013,345	\$	2,213,941	\$	2,362,026	\$	2,356,363	\$	2,366,565	\$	2,382,136	\$	2,518,532	\$	2,507,605	\$	2,505,475	\$	2,457,836	\$	2,441,199	\$	2,426,529
Interest Income	\$	-	\$	8,490	\$	14,874	\$	11,069	\$	12	\$	10,408	\$	10,452	\$	11,008	\$	25,588	\$	27,348	\$	14,770	\$	14,788
Net Income After Taxes	\$	3,013,345	\$	2,213,941	\$	2,362,026	\$	2,356,363	\$	2,366,565	\$	2,382,136	\$	2,518,532	\$	2,507,605	\$	2,505,475	\$	2,457,836	\$	2,441,199	\$	2,426,529
Net Income Before Taxes	\$	3,284,454	\$	3,104,432	\$	3,094,703	\$	3,095,359	\$	3,095,075	\$	2,415,089	\$	3,092,123	\$	3,258,811	\$	3,074,426	\$	3,087,063	\$	3,702,367	\$	3,717,424
Income Taxes	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Net Income After Taxes	\$	3,284,454	\$	3,104,432	\$	3,094,703	\$	3,095,359	\$	3,095,075	\$	2,415,089	\$	3,092,123	\$	3,258,811	\$	3,074,426	\$	3,087,063	\$	3,702,367	\$	3,717,424
Dividend paid	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
EBITDA	\$	3,572,763	\$	68,825	\$	118,494	\$	117,830	\$	117,119	\$	1,508,837	\$	180,071	\$	1,368,005	\$	167,768	\$	155,111	\$	160,933	\$	145,870
EBITDA (percent of sales)	%	82.96%	%	16.39%	%	28.21%	%	28.06%	%	27.89%	%	82.90%	%	29.04%	%	75.17%	%	27.06%	%	25.02%	%	25.20%	%	22.18%
Fixed Asset Additions (G/L additions)	\$	18,313,128	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Capital Expenditures (Cash Paid for Assets)	\$	18,313,128	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Cumulative Capital Expenditures	\$	18,313,128	\$	518,313,128	\$	518,313,128	\$	518,313,128	\$	518,313,128	\$	520,128,495	\$	520,128,495	\$	520,128,495	\$	520,128,495	\$	522,149,420	\$	522,149,420	\$	522,149,420

